

From: "Joi D. Saville" <jsaville@firstbank.com> on 04/12/2006 09:09:59 AM

Subject: Commercial Real Estate Lending

The Federal Reserve Board of Governors
20th Street and Constitution Ave, N.W.
Washington, DC 20551

Dear Sirs,

I am writing to express my opposition to the proposed commercial real estate lending regulations as outlined in Docket No. OP-1248" Commercial Real Estate Proposal. As a commercial/agricultural lender for a very sound and well run community bank, I feel that the proposed regulations will place undo hardship on banks that have demonstrated sound commercial real estate practices. The proposal, as outlined, will penalize those banks that have refrained from speculative lending practices and maintained a quality portfolio for these credits. In fact, I believe that these regulations will cause community banks with the MOST experience in commercial real estate lending to curtail or eliminate this engine of growth in many of our communities.

Among the many reasons to oppose this legislation are:

- 1) If passed, these regulations will have an immediate and drastic impact on our economy which is now growing after several years of stagnation. The work that the Fed is doing in raising rates has already had a visible impact on the loan requests that I am seeing. Let the Fed do their work to slow down the real estate market. In our markets, we have seen steady growth in recent years, but not a boom like we see in parts of the Southeast and California. Please do not penalize our markets so the sake of some overheated markets fueled by overly aggressive bankers.
- 2) Use the regulations you have in place now to regulate the banks that need attention or be "reeled in". The financial services industry is regulated sufficiently now. Enforcement of the current regulations should be your focus.
- 3) If passed, this regulation will force banks that are out of compliance to find "creative" and perhaps more damaging alternatives in the long run which could create another problem down the road.

Our bank has served the rural markets of Southwest Virginia, Shenandoah Valley, and Eastern Tennessee for over 26 years with a stellar loan portfolio. If this regulation is passed as presented, it will literally cripple our bank in the effort in assist the communities we serve.

Thank you for your consideration.

Sincerely,

Joi D. Saville
Agricultural Loan Officer
First Bank and Trust Company
1901 South Main Street, Suite 4B
Blacksburg, Va. 24060

Phone (540) 552-7733
Fax (540) 552-3429
Mobile (540) 239-2258
jsaville@firstbank.com
www.FirstBank.com